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ROGER CHANNEL
E.O. 12065 RDS-2 4-16-99 (CHAPLIN, MAXWELL) OR-M
TAGS P1NR
SUBJECT (S) POLITICAL REPORTING

REF: A STATE 38073; B STATE 36875

1. (S-ENTIRE TEXT)

2. INTRODUCTION AND SUMMARY: FOLLOWING IS IN RESPONSE TO REFTEL B: IN ARGENTINA POLITICAL INSTABILITY IS A RELATIVE TERM. THE COUNTRY HAS NOT KNOWN A STABLE, ORDERLY POLITICAL PROCESS FOR FIVE DECADES. THE POST-1930'S PENDULUM PATTERN ALTERNATING MILITARY DICTATORSHIPS WITH WEAK CIVILIAN GOVERNMENTS HAS HOWEVER TAKEN ON A CERTAIN FAMILIARITY AND PREDICTABILITY OF ITS OWN. OVER TIME THE SYSTEM HAS EVOLVED A BUILT-IN STABILIZER WHICH FEATURES ITS OWN UNWRITTEN CHECKS AND BALANCES AND HAS ACTED TO INHIBIT EITHER SIDE FROM CAREENING FOR LONG TOO FAR OFF A WELL-TRAVELED, BASICALLY CONSERVATIVE AND CENTRIST PATH.

3. ANY THREAT TO ARGENTINE STABILITY TODAY DOES NOT EMANATE FROM OUTSIDE FORCES, OR FROM INTERNAL FACTORS SUCH AS YOUTH, ETHNIC OR RACIAL MINORITIES, RELIGIOUS LEADERS, THE MEDIA OR THE LOCAL COMMUNIST PARTY. FOREIGN POLICY FEUDS WITH CHILE OVER THE BEAGLE CHANNEL AND WITH BRAZIL OVER SHARED WATER RESOURCES WOULD NOT THREATEN DOMESTIC STABILITY, EXCEPT POSSIBLY AS ISSUES MANIPULATED BY INTERNAL OPPOSITION AGAINST THE CURRENT REGIME. ARGENTINE YOUTH, A PRIME TARGET OF THE GOVERNMENT'S RIGOROUS ANTI-SUBVERSIVE CAMPAIGN, HAS BEEN FRIGHTENED OR REGIMENTED INTO SILENCE; ARGENTINA HAS NO APPRECIABLE RACIAL OR ETHNIC MINORITIES; RELIGIOUS GROUPS TEND TO BE INTROSPECTIVE AND APOLITICAL; THE MEDIA, TRADITIONALLY CONSERVATIVE IN ITS OWN RIGHT, IS DIFFUSE AND HABITUALLY SELF-CENSORED; THE ARGENTINE COMMUNIST PARTY IS IN DIBERNATION, AS A RESULT OF THE GOVERNMENT'S BAN ON POLITICAL ACTIVITIES AND ITS AGGRESSIVE ANTI-SUBVERSIVE, ANTI-LEFTIST CAMPAIGN.

4. THE CHRONIC THREAT TO ARGENTINE STABILITY IS INTERNALLY-GENERATED: A LEGACY OF MEAN, QUARRELsome POLITICAL FACTIONS; SUCCESSIVELY SCHIZOPHRENIC ECONOMIC POLICIES; HIGHLY POLITICIZED AND POWERFUL LABOR UNIONS, AND A POLITICS-PRONE MILITARY WHOSE FREQUENT ASSUMPTION OF POWER HAS TENDED TO REFLECT A SELF-FULFILLING PROPHECY.

5. THAT HER VAST NATURAL WEALTH AND ADVANTAGES HAVE NOT TRANSLATED INTO STABLE, PROGRESSIVE ECONOMIC AND POLITICAL SYSTEMS IS BOTH THE ENIGMA AND TRAGEDY OF ARGENTINA. PART OF THE PROBLEM IS THAT THE COUNTRY HAS BEEN-TORN FOR MANY YEARS BETWEEN TWO OPPOSING AND MUTUALLY DESTRUCTIVE ECONOMIC, AND ULTIMATELY POLITICAL, CONCEPTS: ONE FAVORING THE AGRICULTURAL SECTOR, FREE TRADE AND FOREIGN INVESTMENT; THE OTHER PROMOTING INDUSTRIAL AUTONOMY, PROTECTIONISM AND STATE CONTROL.

6. NEITHER OF THE TWO MAJOR POLITICAL PARTIES, NOR THE PROLIFERATION OF SPLINTER TROUPS AND INDEPENDENT PARTIES--A TRIBUTE TO THE PERSONALISM AND RIGIDITY OF

ARGENTINE POLITICS-- HAS BEEN SUCCESSFUL IN FULFILLING LOFTY NATIONAL ASPIRATIONS. POLITICAL INEPTITUDE AND ECONOMIC CRISES BROUGHT ON BY PROFLIGATE ELECTED GOVERNMENTS HAVE REGULARLY LED TO MILITARY TAKEOVER, WITH THE RESULTANT CLAMPING DOWN ON PARTIES, UNIONS AND UNIVERSITIES, PLUS RIGOROUS EFFORTS TO REFORM ECONOMIC DICTATORSHIPS AND SATISFY UNFULFILLED DREAMS OF ESTABLISHING INCORRIGIBLE NEW POLITICAL LEADERSHIP. THE POLITICAL PARTIES THEN WAIT OUT THEIR PERIOD OF PENANCE WHILE THE MILITARY, IN TURN, FINDS ITS POLITICAL CAPITAL FADING, ITS TIGHT-FISTED ECONOMIC AND POLITICAL REFORMS FALLING VICTIM TO BACKLASH. HERETOFORE, THIS HAS MEANT AN ABRUPT AND PREMATURE CALL FOR ELECTIONS, AN EFFUSION OF RASH PROMISES TO THE ELECTORATE, FEVERISH DEAL-MAKING AND ANOTHER TURN OF THE WHEEL.

7. THIS EXPERIENCE HAS BLURRED THE LINES BETWEEN THE TRADITIONAL POLITICAL PARTIES AND OTHER COMPELLING POLITICAL FORCES WHICH IN ARGENTINA INCLUDE THE MILITARY AND THE LABOR UNIONS. THE LABOR UNIONS ARE NOMINALLY PERONIST, BUT MOTIVATED REALLY BY OBTAINING THE BEST DEAL FOR THEMSELVES.

8. PERONISM ITSELF IS BETTER CLASSIFIED AS A MASS MOVEMENT THAN A POLITICAL PARTY. IT LACKS STRUCTURE AND LEADERSHIP. IT HAS NO CLEARLY DEFINED ECONOMIC OR POLITICAL PLATFORM, EXCEPT A PROMISE TO SERVICE THE FAITHFUL. STILL THE OLD CAUDILLO'S NAME CAN PROBABLY GET OUT THE VOTE, GIVING AN IMPRESSIVE BUT INACCURATE PICTURE OF A POWERFUL COHESIVE POLITICAL FORCE.

9. THE RADICALS ENJOY A LEGITIMATE PARTY STRUCTURE, EVEN IF THEIR LEADERSHIP IS SPENT AND OLD. AT ONE POINT TRANSFORMED TO BECOME THE SELF-ASSURED PARTY OF MODERATE CONSERVATIVES IT HAS LATELY ENLARGED ITS AMORPHOUS PROMISES--TRYING ONCE AGAIN TO ATTRACT THE MIDDLE AND STRIVING CLASSES.

10. THE MILITARY, WHICH HAS BEEN IN POWER FAR LONGER THAN ELECTED CIVILIAN GOVERNMENTS OVER THE LAST FIFTY YEARS, HAS ABSORBED A POLITICAL COLORATION OF ITS OWN,

NOTE BY OC/1: ROGER CHANNEL CAPTION ADDED PER MR. GELNER, INR/V.O.

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ROGER CHANNEL

COMPLETE WITH CAMP HEROES, ORATORY, AND DEAL-MAKING
PROGRESS SECOND TO NONE.

11. NONE OF THESE ELEMENTS CAN ALONE COMMAND A LASTING POLITICAL FOLLOWING, LEAVING ACTUAL ARGENTINE POLITICS TO THE BACKROOMS AND CONFERRERIES WHERE DEALS ARE STRUCK, ALLIANCES MADE, AND SPOILS APPORTIONED. THE MILITARY, HOWEVER "GASTADO" DOWN DOWN, VASTED! PUBLICLY, RETAINS ALWAYS THE POWER--TRADITIONAL IN LATIN AMERICA--TO BRING DOWN ANY EVENTUAL CIVILIAN GOVERNMENT. THE LABOR UNIONS CONTROL THE VOTE AND GOOD SHARE OF THE VIE- AWALS. THE PARTIES JOSTLE AND FEINT, SETTING UP PAPER COALITIONS AND DUSTING OFF DISCREDITED AGING LEADERS AND HORRIBUND PLATFORMS.

12. SOCIAL DISCONTENT, LED PRIMARILY BY ECONOMIC DISSATISFACTION AND SECONDLY BY RESTIVENESS AGAINST IMPOSED POLITICAL RESTRICTIONS, IS THE MOST SERIOUS DESTABILIZING FACTOR IN ARGENTINA. THE SITUATION TODAY IS NOT UNLIKE THAT OF EARLIER MILITARY GOVERNMENTS. THIS ONE HAS SIMPLY LASTED LONGER. THE SOCIAL COST OF THE GOVERNMENT'S GRADUAL BUT THOROUGH-GOING ECONOMIC REFORM AND THE INCREASINGLY RESONANT GRIPING OF SIDELINED POLITICIANS AND LABOR UNIONS HAVE ALREADY SOUNDED THE WARNING.

13. THIS MILITARY GOVERNMENT HAS, HOWEVER, SHOWN UNCANNNY ABILITY TO RIDE OUT CRISES, BOTH INSTITUTIONAL AND EXTERNAL. THE OPPOSITION HASSERA "CAIDIDACY" IS FLOUNDERING. THE EXPLOSIVE BEAGLE CHANNEL CRISIS HAS PASSED, THE CAMPAIGN AGAINST SUBVERSION/TERRORISM HAS THUS FAR UPSET FOREIGN OBSERVERS FAR MORE THAN THE LOCAL POPULATION, AND A DEFT COMBINATION OF MUSCLE AND FLEXIBILITY HAS SO FAR CONTAINED SERIOUS LABOR DISTURBANCES. THE GOVERNMENT IS ALSO SUSTAINED BY COMMON BELIEF THAT THE ABYSS OF 1973-76 WAS THE WORST SO FAR, AND WIDESPREAD WILLINGNESS TO ENDURE THIS REGIME RATHER THAN TAKE THE RISK OF UNSEATING IT. ULTIMATELY THE GOVERNMENTS STAYING POWER WILL DEPEND ON ITS SUCCESS IN TURNING THE TIDE OF VERY HIGH INFLATION AND RECESSION, CONTAINING INTER- AND INTRA-SERVICE RIVALRIES AND SMOOTHING THE TRANSITION TO CONSTITUTIONAL RULE.

14. THE POSSIBILITIES AS WE SEE THEM NOW ARE THREE:

- (1) A REPETITION OF THE PATTERN OF MILITARY "ADMINISTRATIVE FATIGUE," THE SCRAPPING OF REFORM PLANS; HASTY, PREMATURELY CALLED ELECTIONS LEADING TO PROBABLE FUTURE CHAOS AND ANOTHER COUP;
- (2) A COUP WITHIN A COUP, WHEREUPON SOME STRONGER MILITARY LEADER TOPPLES THE CURRENT RELATIVELY MODERATE, GRADUALIST, FREE ENTERPRISE LEADERSHIP, LEADING EITHER TO A MORE AUTHORITARIAN AND REPRESSIVE REGIME OR ALTERNATIVELY, TO A MORE MALLEABLE POPULIST AND ULTIMATELY LESS SOUND GOVERNMENT;
- (3) A HYBRID MODEL OF MIXED AUTHORITARIAN/DEMOCRATIC RULE, DERIVING FROM THE GOVERNMENT'S HOPES FOR MILITARY-CIVILIAN "CONVERGENCE," LEADING TO A DEMOCRATICALLY ELECTED CIVILIAN GOVERNMENT WITH INSTITUTIONALIZED MILITARY PARTICIPATION IN KEY AREAS.

15. ANY EVENT WHICH PRODUCES A MORE NATIONALISTIC, PROTECTIONIST, REPRESSIVE GOVERNMENT WILL BE INIMICAL TO US ECONOMIC INTERESTS AND POSSIBLY TO OUR HUMAN RIGHTS, REGIONAL SECURITY AND NUCLEAR NON-PROLIFERATION CONCERNS AS WELL. THE CONTINUATION OF ARGENTINE "INSTABILITY" -- WITH ITS INGROUND TENDENCY TO MODERATE EXTREMES OVER THE LONG TERM THROUGH THE INTERPLAY OF MILITARY, LABOR AND POLITICAL FORCES--WOULD, HOWEVER, PROBABLY NOT PLACE IN SERIOUS JEOPARDY US INTERESTS WORLDWIDE. END INTRODUCTION AND SUMMARY.

16. I. A. MAJOR POLITICAL OR SOCIAL STRAINS ASSOCIATED WITH MODERNIZATION AND DEVELOPMENT ----
BLESSED WITH A HIGHLY PRODUCTIVE AGRICULTURAL BASE, ONE OF THE HIGHEST ADULT LITERACY RATE IN THE CONTINENT (93 PERCENT), A LARGE AND RELATIVELY SOPHISTICATED MIDDLE CLASSE, LOW POPULATION GROWTH (ESTIMATED AT 1.3 PERCENT PER YEAR), LOW UNEMPLOYMENT, AND THE HIGHEST PERCAPITA GNP IN LATIN AMERICA AFTER VENEZUELA, ARGENTINA ENJOYS MANY OF THE CHARACTERISTICS OF A DEVELOPED NATION--
SEPARATING IT FROM MOST LATIN AMERICAN NEIGHBORS AND THE REST OF THE THIRD WORLD. OTHER SOCIAL AND ECONOMIC INDICATORS WHICH PLACE ARGENTINA AHEAD OF ALMOST ALL LATIN AMERICAN COUNTRIES INCLUDE: A LIFE EXPECTANCY OF 68 YEARS; A PER CAPITA BEEF CONSUMPTION OF 96 KILOS PER YEAR, THE HIGHEST AVERAGE IN THE WORLD; A HEALTH INFRA-STRUCTURE PROVIDING 22 DOCTORS PER 10,000 INHABITANTS; A WELL DEVELOPED ALTHOUGH INEFFICIENT NETWORK OF SOCIAL SERVICES; AND ILLITERACY OF ONLY 7 PERCENT.

17. DOMINATED BY THE BUENOS AIRES METROPOLIS SINCE THE FOUNDING OF THE REPUBLIC, ARGENTINA IS HIGHLY URBANIZED. THE RURAL PARTS OF THE COUNTRY ARE THINLY POPULATED, AGRICULTURE EMPLOYING ONLY 14 PERCENT OF THE ACTIVE POPULATION.

18. DESPITE ITS UNUSUAL HUMAN AND NATURAL RESOURCES, ARGENTINE HAS NOT LIVED UP TO THE PROMISE EXPECTED OF A COUNTRY WHICH CLAIMED THE SECOND OR THIRD HIGHEST PER CAPITA GNP IN THE HEMISPHERE AT THE TURN OF THE CENTURY. IN RECENT DECADES THE COUNTRY HAS FALLEN BEHIND IN TERMS OF DEVELOPMENT AND MODERNIZATION AND, AS A RESULT, ITS SHARE OF THE LATIN AMERICAN REGION'S NATIONAL INCOME, WHICH WAS 26 PERCENT IN 1945, HAD DECLINED TO 15 PERCENT BY 1976 PER CAPITA GNP HAS BEEN DROPPING DURING THE PAST FEW YEARS, DESPITE THE EFFORTS OF THE MILITARY GOVERNMENT THAT TOOK POWER IN MARCH 1976 TO STABILIZE THE ECONOMY AND CREATE MODERN BASES FOR GROWTH AND DEVELOPMENT.

NOTE BY DC/1: ROGER CHANNEL CAPTION ADDED PER INR/M.O.

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19. SINCE THE CONSERVATIVE MILITARY COUP OF 1930, THE ARMED FORCES HAVE INTERVENED DIRECTLY IN GOVERNMENT SIX TIMES. THE COUNTRY HAS NOT REGAINED A STABLE POLITICAL PARTY SYSTEM SINCE THE 1930 COUP AND HAS EXPERIENCED CONTINUED POLITICAL TURBULENCE AND UNEVEN ECONOMIC PERFORMANCE SINCE WORLD WAR II, WITH THE PERIUMUM SHIFTING SUCCESSIVELY BETWEEN MILITARY DICTATORSHIPS AND WEAK CIVIL GOVERNMENTS. THE POSTWAR PROCESS OF MODERNIZATION AND DEVELOPMENT HAS MOVED AHEAD ONLY IN SPURTS, USUALLY ASSOCIATED WITH THE PERIODS OF MILITARY GOVERNMENT, WHEREAS CIVIL RULE GENERALLY HAS BEEN ACCOMPANIED BY AN EMPHASIS ON THE REDISTRIBUTION OF PAST ACCUMULATED WEALTH WITHOUT SUBSTANTIAL GROWTH.

20. AN IMPORTANT FACTOR ASSOCIATED WITH THE POLITICAL INSTABILITY IS THAT THE RESOURCES PROVIDED BY ENORMOUS AGRICULTURAL SURPLUSES IN THE PAST NEVER FORMED THE BASIS FOR A PROLONGED, THROUGH-GOING INDIGENOUS INDUSTRIAL REVOLUTION IN ARGENTINA. THAT LLCAO INDUSTRY WHICH DID DEVELOP GREW UP IN THE SHADOW OF HEAVY STATE PROTECTIONISM AND THEREFORE REMAINS HIGHLY INEFFICIENT, RELATIVELY LABOR-INTENSIVE AND BACKWARD IN TERMS OF TECHNOLOGICAL ADVANCEMENT. THERE IS A MODERN CAPITALIST SECTOR, BUT IT IS STILL THIN, LARGELY FOREIGNOWNED AND HIGHLY DEPENDENT ON THE VAGARIES OF THE WORLD MARKET. THIS HAS RESULTED IN LARGE SEGMENTS OF THE MIDDLE CLASS, SCHIZOPHRENICALLY SUSPICIOUS OF FOREIGN CAPITAL, SUPPORTING CONTINUED HEAVY STATE INTERVENTION IN AN SUBSIDIARIZATION OF THE ECONOMY. AS A CONSEQUENCE, AN IDEOLOGICAL POLARIZATION LONG HAS BEEN EVIDENT WITHIN THE SOCIETY BETWEEN THE MANY WHO FAVOR INDIGENOUS INDUSTRIAL DEVELOPMENT AND PROTECTIONISM AND THE FEW BACKED PERIODICALLY BY LIBERAL SECTORS OF THE ARMED FORCES WHO ADVOCATE OPENING UP THE COUNTRY TO FOREIGN CAPITAL ON ATTRACTIVE TERMS AND INTERNATIONAL COMPETITION.

21. WHILE THERE ARE A STRING OF SMALL, PROVINCIAL CONSERVATIVE POLITICAL PARTIES, THERE IS NO BROAD-BASED PARTY REPRESENTING A MODERN MIDDLE CLASS WITH A PROGRESSIVE LIBERAL/WESTER OUTLOOK. THE BASIC MIDDLE CLASS PARTY, THE UCRP, CONTINUES TO BE HIGHLY STATIST IN OUTLOOK WITH AN ECONOMIC PROGRAM THAT DOES BACK TO THE 1930'S. THE TWO MAJOR POLITICAL FORCES IN THE COUNTRY, ARE ON THE ONE HAND, THE TRADE UNIONS IDENTIFIED THE THE NATION'S LABORING PEOPLE, LOWER MIDDLE CLASS AND POOR IN THE HIGHLY DERAGOGIC PERONIST UMBRELLA MOVEMENT; THE MILITARY, ON THE OTHER HAND, WHICH OFTEN ALLIES ITSELF WITH THE MODERN TECHNOCRATIC ELITE, BUT WHICH ALSO CONTAINS CONTRADICTIONARY STATIST AND NATIONALIST SECTORS THAT WORK AGAINST RAPID ECONOMIC GROWTH.

22. I. B. SPECIAL STRAINS ASSOCIATED WITH THE CURRENT GOVERNMENT'S ECONOMIC STABILIZATION PROGRAM ----- DESPITE ARGENTINA'S RELATIVELY ADVANCED ECONOMIC STANDING IN THE REGION, SOCIAL DISCONTENT IS WIDESPREAD AND REMAINS, AS IN PAST YEARS, A MAJOR DESTABILIZING FACTOR. ALTHOUGH THE PRESENT MILITARY GOVERNMENT HAS HAD CONSIDERABLE SUCCESS IN REBUILDING AN ECONOMY SHATTERED DURING

THE LAST PERONIST REGIME, DRASTIC CHANGES IN REALATIVE INCOME SHARES HAVE ALSO OCCURRED, SKEWING INCOME DISTRIBUTION. THE WAGE EARNING SECTOR'S SHARE OF GROSS DOMESTIC PRODUCT HAS DECLINED, WITH THOSE AT THE LOWER END OF THE SCALE SUFFERING MOST. THE SPREAD IN THE WAGE STRUCTURE HAS BEEN INCREASED TO REVERSE THE SITUATION PREVAILING UNDER PERON WHEN MANY UNSKILLED WORKERS EARNED MORE THAN DOCTORS, SUPREME COURT JUDGES AND PROFESSORS AND NOT MUCH LESS THAN THEIR SUPERVISORS. THE REMOVAL OF RENT CONTROLS DRASTICALLY AFFECTED THE DISPOSABLE INCOME OF RENTORS TO THE BENEFIT OF LANDLORDS. INDUSTRIAL FIRMS AFFECTED BY FOREIGN COMPETITION ARE RELATIVELY WORSE OFF THAN THEY WERE UNDER THE PERONIST REGIME AND ARE NOW BEING COERCED INTO PAYING TAXES. AGRICULTURE IS IN A BETTER SITUATION BUT STILL COMPLAINS ABOUT THE CURRENT GOVERNMENT'S POLICIES WHICH HAVE LATELY RESULTED IN COSTS RISING FASTER THAN PRICES OF AGRICULTURAL PRODUCTION. THE INABILITY OF THE VIDELA GOVERNMENT TO BRING THE INFLATION RATE DOWN FROM THE CURRENT 170 PERCENT PER YEAR HAS CREATED SOCIAL STRAINS IN ALL AREAS. A LARGE SECTOR OF THE POPULATION, LED BY THE TRADE UNIONS, AND SOME SEGMENTS OF THE BUSINESS AND AGRICULTURAL COMMUNITIES, WOULD WELCOME THE RETURN OF A POPULIST, AUTARKIC GOVERNMENT AND WILL CONTINUE TO SEEK OPPORTUNITIES TO COOPERATE IN BRINGING THIS ABOUT. SUCH A GOVERNMENT WOULD HAVE ANTI-CAPITALIST, ANTI-MULTINATIONAL AND ANTI-US OVERTONES AND WOULD ADVERSELY AFFECT OUR INTERESTS. THESE UNDERLYING ECONOMIC AND SOCIAL FACTORS WILL BE IMPORTANT IN THE CALCULATIONS OF ALL PRESENT AND FUTURE ASPIRANTS TO POWER, WHETHER DEMOCRATICALLY ELECTED OR NOT.

23. 11. STRENGTHS AND WEAKNESSES OF THE CENTRAL LEADERSHIP ----- ARGENTINA'S MILITARY REGIME DRAWS ITS LEGITIMACY FROM HISTORY AND THE ESPECIALLY DEMOLISHED POLITICAL-SOCIAL-ECONOMIC SITUATION IT TOOK POWER TO RESCUE IN MARCH OF 1976. MILITARY INTERVENTION HAS BEEN SO FREQUENT SINCE THE 1930'S THAT FEW PEOPLE DISCUSS WHETHER IN PRINCIPLE IT SHOULD TAKE PLACE AT ALL, BUT RATHER WHETHER THE SPECIFIC CIRCUMSTANCES UNDER WHICH A MILITARY REGIME ASSUMED POWER JUSTIFIED THE TAKEOVER. THE OVERWHELMING MAJORITY OF ARGENTINE GREETED THE ORIGINAL 1976 JUNTA OF VIDELA-HASSERA-ACOSTI WITH A SIGH OF RELIEF THAT A

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MILITARY REGIME WAS GOING TO BRING ORDER TO THEIR LIVES AGAIN AND THE SUCCESSOR VIELA CUM VIELA-LAMBRUSCHINI-GRAFFIGNA TEAM ENJOYS A CONTINUING LEGITIMACY NOT ONLY BECAUSE OF A LACK OF VIABLE ALTERNATIVES PERCEIVABLE TO THE MILITARY, ECONOMIC OR PROFESSIONAL ELITES AND MIDDLE AND UPPER MIDDLE CLASS WHICH TOGETHER COMPRISE A RESPECTABLE PERCENTAGE OF THE POPULATION.

24. HOWEVER, MILITARY REGIMES IN ARGENTINA HISTORICALLY HAVE FACED THE SAME REQUIREMENT OF OTHER GOVERNMENTS TO PRODUCE "SUCCESS," WHEN THEY FAILED ABJECTLY, THEY FELL, REPEATING PAST PATTERNS, TWO PROCESSES ARE NOW AT WORK WHICH PROGRESSIVELY REDUCE LEGITIMACY. THESE PROCESSES ARE "DESGASTE" AND GROWTH IN STRENGTH OF CIVILIAN ALTERNATIVES.

25. "DESGASTE" IS THE INEVITABLE POLITICAL PROCESS OF A REGIME'S WEARING ITSELF AWAY AGAINST THE HARD FACTS OF GOVERNANCE AND THE FACT THAT NO REGIME CAN PLEASE ALL THE PEOPLE ALL THE TIME. THE PROCESS OF "DESGASTE" IS ACCELERATED IN ARGENTINA (WHEN COMPARED TO OTHER POLITIES) BY SEVERAL FACTS: THE COUNTRY'S SUPPOSED WEALTH CREATES A POPULATION IMPATIENT WITH THREDBARE PUBLIC INSTITUTIONS; THE BASIC CLEAVAGE BETWEEN ITO OVER-SIMPLIFY AN ENORMOUSLY COMPLICATED PROBLEM) PERONISM AND ANTI-PERONISM STILL REIGNS THE POLITY; THE RELATIVE OPENNESS OF THE SOCIETY ACCELERATES FORMATION OF A PUBLIC OPINION SELDOM MODULATED BY WIDELY RESPECTED INSTITUTIONS. WHEN ENOUGH ARGENTINES ARE SICK OF THIS REGIME'S INABILITY TO CONTROL INFLATION, REPAIR ROADS, FUND SCHOOLS, OFFER AN ACCEPTABLE LEVEL OF HEALTH CARE AND, MORE HEBOULOUSLY, OFFER CONVICTION THAT THINGS WILL BE BETTER FOR THE CHILDREN OF TODAY--THEN THIS GOVERNMENT WILL PROBABLY BE REPLACED OR DRASTICALLY MODIFIED BY A RUSH OF OPPOSITION.

26. THE OTHER PROCESS--THAT OF THE PRODUCTION OF CIVILIAN ALTERNATIVES--IS FAR BEHIND THE PROCESS OF "DESGASTE." THREE YEARS AFTER THE MILITARY TAKEOVER THE COUNTRY'S MILITARY AND ECONOMIC ELITES (AND WEI SEE NO REPEAT NO SATISFACTORY CIVILIAN ALTERNATIVE TO THE EXISTING GOVERNMENT. THE REGIME IS NOT WEAKENED BY THE QUALITY OF ITS OPPOSITION.

27. IT IS WEAKENED HOWEVER BY THE POLITICIZATION OF THE ARMED FORCES THEMSELVES AND THE INTENSE RIVALRY WHICH EXISTS BETWEEN THE SERVICES. IN THE CASE OF THE ARMY THESE TENDENCIES TAKE ON INTRA-SERVICE IMPORTANCE--PROBABLY THE ONLY REASON THIS IS NOT THE CASE OF THE NAVY AND THE AIR FORCE IS THAT THEIR RELATIVE POWERLESSNESS AGAINST THE OVERWHELMING CLOUD OF THE ARMY CONVINCES NAVAL AND AIR OFFICERS THEY MUST HAIG TOGETHER AND EXERT SOME INFLUENCE RATHER THAN LOSE ALL VOICE IN THE COURSE OF GOVERNMENT. NOTE: THE MARCH 1976 TAKEOVER REGIME WAS INSTITUTIONALIZED TO GIVE AT LEAST THEORETICAL EQUALITY TO THE THREE SERVICES BY MAKING THE JUNTA THE ORGAN SUPREME OF THE LAND. THIS LEGAL ARRANGEMENT WAS MAINTAINED NICELY UNTIL THE NEW SCHEME OF POWER BECAME EFFECTIVE IN AUGUST OF 1978, IN LARGE PART DUE TO THE AGGRESSIVENESS OF ADMIRAL MASSERA AND

THE SWING-VOTE AUTHORITY CONFERRED ON AIR FORCE COMMANDER AGOSTI. THE EQUALITY APPEARS TO BE ERODING UNDER THE VIELA-VIELA COMBINATION, TESTED AGAINST THE LCSS VIGOROUS POLITICAL PARTICIPATION OF ADMIRAL LAMBRUSCHINI AND BRIGADIER GRAFFIGNA.)

28. THESE RIVALRIES DISPLAY THEMSELVES IN THE WILLINGNESS OF SENIOR MILITARY LEADERS TO PLAY AT POLITICS AS READILY AS CIVILIAN POLITICIANS: GENERALS AND ADMIRALS HAVE "THEIR" UNION LEADERS, AND ARE IN FREQUENT, ALBEIT FURTIVE, TOUCH WITH THOSE POLITICIANS THEY DECRY ON PUBLIC ROSTRUMS. THEY LOOK FOR SUPPORT OUTSIDE OF GOVERNMENT IN ORDER TO STRENGTHEN THEIR HANDS IN GOVERNING COUNCILS. IN RETURN GOVERNING MILITARY OFFICERS PRODUCE SOME POPULAR POLITICAL SATISFACTION IN TERMS OF CERTAIN POLICY ISSUES--LIKE THE ECONOMY, LABOR AFFAIRS AND APPOINTMENTS.

29. IT HAS FREQUENTLY BEEN DEMONSTRATED, FOR EXAMPLE, THAT EVEN GENERAL VIELA WAITS DAYLIGHT BETWEEN HIMSELF AND THE POLICIES OF ECONOMY MINISTER MARTINEZ DE HOZ--AND THAT HIS AIR FORCE AND NAVY JUNTA COLLEAGUES ARE EQUALLY ANXIOUS TO BE ON THE SIDE OF THE ANGELS IF MARTINEZ DE HOZ AND HIS BAND OF ECONOMICS HAVE TO BE JETTISONED AGAINST A BACKGROUND OF LABOR AGITATION AND SECTORAL COMPLAINT.

30. THE RESULT OF ALL THIS APPEARS TO BE THAT A MILITARY REGIME OF SOME KIND, BUT NOT NECESSARILY OF THE STRUCTURE OF TODAY AND WITH TODAY'S PERSONALITIES, APPEARS A LIKELY PROSPECT FOR THE NEXT TWO YEARS OR THREE YEARS, FAILING EMERGENCE OF CONVINCING ALTERNATIVES FROM THE CIVILIAN SECTOR. COMITY AMONG MILITARY MEN--WHATEVER THEIR RIVALRIES THEY COMPOSE THEMSELVES REASONABLY WELL BEFORE THE PUBLIC--APPEARS TO ASSURE THAT CHANGES IN MILITARY PERSONALITIES OR THE STRUCTURE OF A MILITARY GOVERNMENT WILL BE MODERATE.

31. III. A. EFFECTIVENESS AND NATURE OF THE OPPOSITION FORCES----

A. MAJOR POLITICAL PARTIES AND FORCES----
FOR ANALYTICAL PURPOSES--AND BECAUSE THIS IS BASED IN FACT--WE CAN REGARD THE PARTY IN POWER AS THE "MILITARY PARTY," AND ANY "OPPOSITION" TO IT AS BEING CIVILIAN OWNED AND OPERATED. STRESS AND DIVISIONS WITHIN THE MILITARY HAVE ALREADY BEEN DESCRIBED, BUT THEY SHOULD BE SET DOWN AS INTRA-PARTY ACTIVITIES.

NOTE BY OCF: ROGER CHAMIEL CAPTION ADDED BY INRD/W.O.

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32. THE LARGEST OPPOSITION GROUP IN ARGENTINA REMAINS "THE PERONISTS"--DESPITE THE DEATH OF GENERAL PERON HIMSELF, DESPITE THE MANIFEST FAILURE OF THE PARTY IN MANAGING THE COUNTRY'S AFFAIRS, AND DESPITE THE ALMOST TOTAL LACK OF CONCORDANCE IN THE PERONIST MOVEMENT TODAY.

33. THE KEY TO UNDERSTANDING PERONISM TODAY IS UNDERSTANDING ITS QUALITY AS A "MOVEMENT" WITHOUT REGARD TO ITS SHORTCOMINGS AS A "PARTY." THE "PARTY" EXISTS AS A THIN LAYER OF TITULAR LEADERS--DELLIBO BITTEL, ITALO LUDER, MRS. PERON (UNDER HOUSE ARREST)--WHO ADMINISTER WHAT REMAINS OF A PHYSICAL PLANT: OFFICES, TELEPHONES, FURNITURE. EVEN IN THIS RUDIMENTARY FORM THOSE IDENTIFIED AS "MEMBERS" OF THE PARTY ARE BENT BY CLAIMS OF VERTICALISM--THE THEORY THAT TITULAR HEADS OF THE PARTY, INCLUDING MRS. PERON, MUST BE MAINTAINED ALONG WITH PARTY DISCIPLINE--AGAINST ANTI-VERTICALISM, A THEORY WHICH DEVELOPED EVEN BEFORE THE LAST REGIME'S COLLAPSE TO THE EFFECT THAT WHAT THE PARTY NEEDED WAS A VIFF OF INTERNAL DEMOCRACY AND THAT Elected LEADERS WITHIN THE PARTY DESERVED TO BE SCRUTINIZED AND MADE ANSWERABLE TO THE RANK-AND-FILE. A REFINEMENT OF THIS BASIC ARGUMENT DEALS WITH THE DEGREE PARTY MEMBERS BELIEVE THEY AS INDIVIDUALS SHOULD COOPERATE WITH THE PRESENT GOVERNMENT. THERE ARE THOSE--LIKE PARTY VICE PRESIDENT BITTEL--WHO RECOMMEND SHOWING ALL CONTACT, WHILE OTHERS--LIKE FORMER DEPUTY OSELA MUÑOZ--SEEK TO FAVOR A STANCE OF "LOYAL OPPOSITION" WITHOUT PUTTING IT IN QUOTE THESE TERMS.

34. THESE THEOLOGICAL DIFFERENCES ARE EASILY DISSOLVED HOWEVER IN THE GREAT SWEEP OF "THE MOVEMENT," WHICH INCLUDES LABOR LEADERS, NATIVE INDUSTRIALISTS, MARGINAL PEOPLE DUELLING IN CARDBOARD HOUSES, PROFESSORS, JOURNALISTS AND ON AND ON. IT IS A MOVEMENT AT LEAST AS BROAD AS OUR OWN DEMOCRATIC PARTY, ALTHOUGH ITS COHERENCE AND ABILITY TO RESPOND IS ALMOST NIL IN ABSENCE OF CONCLAVES, FORUMS, PARTY ELECTIONS AND OTHER ACTIVITIES CURRENTLY RULED OUT BY DECREE. THE BIGGEST QUESTION MARK IN ARGENTINA'S POLITICAL FUTURE IS WHETHER THIS AMORPHOUS MASS CAN BE WORKED AGAIN INTO A VOTING, COOPERATING, COHERENT POLITICAL WHOLE. WE DO NOT PRETEND TO HAVE AN ANSWER AT THIS TIME. PERONISTS OF COURSE TELL US "YES," BUT THEMSELVES HAVE NO IDEA BY WHAT MEANS THIS CAN BE ACCOMPLISHED.

35. ONE MAN--ADMIRAL MASSERA--THOUGHT HE COULD BRING CONCORDANCE SINGLEHANDED, AND COULD LIKE A LIGHTNING ROD DRAW ALL THE PERONIST POLITICAL CHARGES IN THE AIR ONTO A SINGLE ENTITY--HIMSELF. THUS FAR HE HAS COME UP WRONG: PERONIST GROUPS NOW SEEM UNWILLING TO COOPER POKER ONTO A MAN WHOSE MERITS ARE OPPORTUNISM, STAGGERING GUILE AND PROMISE TO LOOK IMPRESSIVE IN A PRESIDENTIAL SASH. "WHAT CAN MASSERA BRING TO US?" IS THAT QUESTION HEARD AGAIN AND AGAIN FROM PERONISTS. THE ANSWER--"LEADERSHIP"-- IS NOTHING MORE THAN AT LEAST A DOZEN PARTY VETERANS BELIEVE EACH IN HIS HEART OF HEARTS THAT HE CAN BRING. AT THIS POINT THE MASSERA PLAY SEEMS TO HAVE FAILED.

36. BY CONTRAST THE "RADICAL PARTY" CAN RIGHTLY BE REGARDED AS A PROPER POLITICAL PARTY, WITH STRUCTURE AND GENERALLY RECOGNIZED LEADERS--ALTHOUGH BALBIN'S GATHERING WEAKNESSES EVEN NOW SUBJECT THE PARTY TO NEW DIVISIONS, BEYOND THOSE OF THE OTHER FACTIONALISMS GENERATED THROUGH THE DECADES. FEW PEOPLE BELIEVE HOWEVER THAT THE RADICALS COULD WIN A NATIONAL ELECTION IN WHICH OTHER ATTRACTIVE CANDIDATES TOOK PART. WITH THE EXCEPTION OF THE FEDERALIST OR CONSERVATIVE PROVINCIAL PARTIES, THE OTHER POLITICAL PARTIES--THE POPULAR CONSERVATIVES, THE CHRISTIAN DEMOCRATS, THE "DESARROLLISTAS" HAVE SMALL "MEMBERSHIPS" THAT COULD BE EFFECTIVE ONLY IN COALITION.

37. OUTSIDE "PERONIST" REMAINS THE CIVILIAN OPPOSITION HAS BLEAK PROSPECTS, MAINLY FOR LACK OF A COMMON FRONT. EVEN IF THOSE GROUPS DID GET TOGETHER IT IS DOUBTFUL THEY WOULD HAVE SUFFICIENT STRENGTH TO OUVOTE THE PERONISTS. INSIDE PERONIST RANKS ALL IS IN DISORDER, AND WHAT MAY EMERGE AS AN ORDERED GROUPING--ORGANIZED LABOR, FOR EXAMPLE, COMBINED WITH GRASSROOTS POLITICIANS--PROMISES PROBLEMATIC LEADERSHIP FOR THE COUNTRY.

38. I.I.B. COMMUNIST AND TERRORIST FORCES ----
THE ARGENTINE COMMUNIST PARTY 7/0-1 IS LEGAL AND SUBJECT TO THE SAME GOVERNMENT BAN AS ALL OTHER POLITICAL PARTIES. ANORTHODOX PRO-SOVIET PARTY WHICH FOLLOWS A NON-VIOLENT COURSE AND CAUTIOUSLY AVOIDS CRITICIZING THE GOVERNMENT, ITS STRENGTH IS ESTIMATED AT ALMOST 45,000 MEMBERS. LIKE THE SOVIET UNION, THE PARTY STRONGLY SUPPORTED THE GOVERNMENT'S POSITION ON THE BEAGLE CHANNEL DISPUTE. WHILE MOST OF ITS MEMBERS ARE FROM THE WORKING CLASS, IT DOES NOT PLAY A SIGNIFICANT ROLE IN THE LABOR FIELD. IT DOES, HOWEVER, HAVE SOME INPUT IN THE HUMAN RIGHTS FIELD THROUGH ITS FRONT, THE ARGENTINE LEAGUE FOR THE RIGHTS OF MAN. THE SOVIET EMBASSY IS HIGHLY CIRCUMSPECT IN ITS DEALINGS WITH THE PCA. ARGENTINE INTELLIGENCE KEEPS A CLOSE EYE ON CONTACTS BETWEEN THE SOVIET EMBASSY AND THE PARTY; THEY ARE PERSUADED THAT THE EMBASSY IS FUNDING THE PCA BUT THEY HAVE NO HARD INFORMATION TO SUPPORT THAT CONVICTION.

39. THE ONLY LEFTIST EXTREMIST GROUPS OF ANY SIGNIFICANCE ARE THE MONTONEROS NOW CALLED THE MONTONERO PERONIST MOVEMENT) AND THE PEOPLE'S REVOLUTIONARY ARMY (ERP).

40. AS OF DECEMBER 1978, ARGENTINE SECURITY SERVICES

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ESTIMATED MONTONERO STRENGTH AT 245 IN COUNTRY AND 200 IN EXILE--MAINLY IN ITALY, MEXICO, FRANCE AND BRAZIL. WHILE THE MONTONEROS STILL MAINTAIN A LIMITED CAPABILITY TO UNDERTAKE TERRORIST ACTS, THEIR LAST KNOWN UNDERTAKING WAS THE 1 AUGUST 1978 BOMBING OF ADMIRAL LABRUSCHINI'S HOME, RESULTING IN THE DEATH OF HIS DAUGHTER.

41. THERE IS EVIDENCE THAT THE MONTONEROS HAVE CLOSE TIES TO THE PALESTINE LIBERATION ORGANIZATION (PLO). ACCORDING TO AN OFFICIAL ARGENTINE SERVICE, THE MONTONEROS AND PLO SIGNED A COOPERATION AGREEMENT IN AUGUST 1977. ADDITIONAL EVIDENCE OF MONTONERO-PALESTINIAN LINKS IS THE USE OF SOVIET MANUFACTURED GRENADE LAUNCHERS IN JUNE 1978 ATTACKS ON ARGENTINE GOVERNMENT BUILDINGS. THE GRENADE LAUNCHERS WERE OF A TYPE KNOWN TO HAVE BEEN SUPPLIED BY THE SOVIETS TO THE PLO. THE MONTONEROS ARE ALSO RECOGNIZED BY THE TANZANIAN GOVERNMENT AS A LEGITIMATE NATIONAL LIBERATION MOVEMENT AND HAVE BEEN ALLOWED TO ESTABLISH AN OFFICE IN DAR-ES-SALAAM.

42. CUBA DID SOME TRAINING OF ERP MEMBERS. WHILE THE CUBAN-ERP RELATIONSHIP WAS MORE IMPORTANT THAT THAT WITH THE MONTONEROS DURING THE HEIGHT OF THE TERRORIST PERIOD IN ARGENTINA, MONTONEROS TOO WERE TRAINED IN CUBA. THERE ARE INDICATIONS THAT CUBAN-MONTONERO TIES HAVE INCREASED OVER THE PAST YEAR. MONTONERO SECRETARY GENERAL MARIO FERNANDEZ WAS REPORTED TO BE IN CUBA 1 SEPTEMBER 1978. THE MONTONEROS PARTICIPATED IN THE WORLD YOUTH FESTIVAL IN HAVANA IN JULY 1978, AND THE CUBANS HAVE PUT UP FRIENDLY GOVERNMENTS TO ASK THAT MEMBERS OF THE USG AGREE TO MEET WITH MONTONEROS. THE MONTONEROS ARE ALSO PARTICIPATING IN THE CUBAN-SPONSORED ANTI-IMPERIALIST SOLIDARITY COMMITTEE FOR LATIN AMERICA.

43. THE MONTONERO MOVEMENT HAS HIT UPON HARD TIMES. TWO EXILED LEADERS IN FRANCE, JAUN GELMAN AND RODOLFO GALIBERTI, RECENTLY RESIGNED FROM THE MOVEMENT AND SEVERAL MONTONEROS, INCLUDING FERNANDO VACA NARVAJA, ARE FUGITIVES FROM ITALIAN JUSTICE.

44. THE ERP (THE MILITARY ARM OF THE WORKERS REVOLUTIONARY PARTY), IS IN EVEN WORSE SHAPE THAN THE MONTONEROS. AS OF DECEMBER 1978, ARGENTINE SECURITY SERVICES ESTIMATED THAT SOME 130 ERP MEMBERS ARE IN ARGENTINA AND 80 ARE IN EXILE. THE LAST KNOWN PUBLIC ACTION OF THE GROUP IN ARGENTINA WAS IN MAY 1978 BOMBING OF A PUBLIC BUILDING. A NUMBER OF ERP MEMBERS ARE BELIEVED TO BE LIVING IN CUBA AND IN ITALY. IN MARCH 1978 THE ERP WAS INVOLVED IN THE KIDNAPPING OF A US CITIZEN IN COLOMBIA.

45. ARGENTINE SECURITY SERVICES BELIEVE THE ERP STILL HAS LIMITED QUANTITIES OF SMALL ARMS IN ARGENTINA BUT THAT ITS CAPACITY FOR ACTION IS EXTREMELY LIMITED. THERE IS NO HARD EVIDENCE THAT CUBA IS ACTIVELY SUPPORTING THE ERP AT THIS TIME. THE ERP HAS REAFFILIATED WITH THE TROTSKYIST FOURTH INTERNATIONAL.

46. IV. ATTITUDES AND COHESION OF THE SECURITY FORCES--

THE TYPICAL OFFICER IN THE ARGENTINE ARMED FORCES OF TODAY COMES FROM A MIDDLE CLASS BACKGROUND. MANY WHO HAVE REACHED FLAG RANK (GENERAL, ADMIRAL, BRIGADIER) ARE IN FACT FIRST GENERATION ARGENTINES WHOSE PARENTS CAME FROM ITALY OR SPAIN. ONE STUDY CONDUCTED IN 1964 REVEALED THAT LESS THAN 10 PERCENT OF THE FLAG GRADE OFFICERS WERE CONNECTED WITH AGRICULTURAL ENTERPRISES (LARGED ARISTOCRACY). THE MAJORITY OF THOSE WHO HAVE REACHED FLAG RANK WERE BORN IN THE BUENOS AIRES AREA.

47. HISTORICALLY AND ESPECIALLY SINCE 1955, THERE HAS BEEN A CONSIDERABLE AMOUNT OF FACTIONALISM WITHIN THE ARMED FORCES--RIVALRY AMONG THE THREE SERVICES AND WITHIN EACH BRANCH OF THE ARMY. THE NAVY TURNED THE TIDE IN 1955 WHEN THE ARMY WAS DIVIDED FOR AND AGAINST PERON. SINCE THAT TIME THE NAVY HAS GAINED PRESTIGE AND ITS GENERALLY ANTI-PERONIST STANCE.

48. THE AIR FORCE HAS HAD A SHORT HISTORY IN WHICH TO BUILD A TRADITION OF POLITICAL ACTION AND HAS SPENT MOST OF ITS TIME AS A MODERATING FORCE IN WHICH ACTION WAS/HAS BEEN TAKEN TO ENSURE IT WOULD BE ON THE WINNING SIDE. THE ARMY HAS BEEN THE TRADITIONAL INSTIGATOR OF POLITICAL ACTION AND IN THE PAST THE SERVICE MOST PLAGUED WITH ANTAGONISTIC IDEOLOGICAL FACTIONS. BETWEEN 1962 AND 1965 THE HARD LINE ANTI-PERONIST OFFICERS WERE PURGED AND FACTIONALISM WITHIN THE FORCES WAS REDUCED TO A MINIMAL LEVEL.

49. THE EVENTS OF THE PAST SEVERAL YEARS, I.E. THE MILITARY TAKEOVER OF THE GOVERNMENT, THE SUCCESSFUL FIGHT AGAINST THE INSURGENTS AND NEW EFFORTS ON INTER-SERVICE COOPERATION, EXPERIENCE AND ESPRIT DE CORPS GAINED DURING THE MOBILIZATION EXERCISE IN 1978, IN PREPARATION FOR CONFLICT WITH CHILE, HAVE DONE A GREAT DEAL TO INCREASE THE PROFESSIONALISM AND MATURITY OF THE ARMED FORCE, ALTHOUGH INTER-SERVICE RIVALRY STILL EXISTS.

50. YOUNG OFFICERS SEE THEMSELVES AS HAVING A GREATER DEGREE OF CIVIC RESPONSIBILITY THAT THEIR PREDECESSORS. THEY HAVE A PROFOUND DESIRE TO SEE THE POLITICAL PROCESS WORK. NONE WHO HAVE BEEN ASKED WANT COUP-TYPE CHANGES IN THE LEADERSHIP OF THE GOVERNMENT, AS WAS THE NORMAL SCHEME OF THINGS IN THE PAST.

51. THE MAJORITY OF THE OFFICERS, HOWEVER, DO NOT SEE A RAPID TURNOVER OF THE REINS OF GOVERNMENT TO THE CIVILIAN POLITICIANS. THE POLITICIANS ARE PICTURED AS INEPT AND CORRUPT, THE REASON WHY THE ARMED FORCES WERE FORCED TO INTERVENE IN 1976. THE TYPICAL OFFICER SEES

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SEVERAL YEARS OF "REEDUCATION" OF THE POPULATION AHEAD
BEFORE THE MILITARY RETURNS TO THE BARRACKS.

52. AS A RULE, MAJOR DECISIONS ON THE OPERATIONS OF
THE GOVERNMENT AND THE MILITARY SERVICES, PARTICULARLY
THE ARMY, ARE MADE IN A CONSENSUS MANNER WITH THE TOP
18-12 OFFICERS OF THE SERVICE PARTICIPATING. WHILE THE
PROCESS MAY BE CUMBERSOME, IT IS A METHOD WHICH DAMPENS
CHANGES AND ENLISTS THE SUPPORT OF THE SENIOR COMMANDERS.
OVERALL THE LOYALTY AND COHESION OF THE SECURITY FORCES
IS SOLID.

53. CONTROL OF SECURITY FORCES AT THE LOWER LEVEL
CONTINUES TO BE A PROBLEM. THESE FORCES, AFTER YEARS
OF INDEPENDENTLY OPERATING AGAINST THE INSURGENTS, ARE
NOW BEING TOLD THAT THEY MUST CHANNEL THEIR ENERGIES IN
OTHER DIRECTIONS. THIS IS BEING DONE WITH VARYING
DEGREES OF SUCCESS DEPENDING ON THE LOCATION AND LOCAL
SECURITY FORCE COMMANDER.

54. IN SUMMARY, THE ARGENTINE ARMED FORCES WILL CONTINUE
TO ATTEMPT TO FULFILL THEIR RESPONSIBILITY TO ENSURE
INTERNAL STABILITY AND THEIR PERCEIVED DUTY TO ESTABLISH
A FUNCTIONING GOVERNMENT AND ECONOMY.

55. V. ORIENTATION AND INFLUENCE OF MASS MEDIA -----
THE COMMUNICATIONS MEDIA IN ARGENTINA ARE BASICALLY
MODERATE AND DEMOCRATIC IN ORIENTATION. THEY ARE ALSO
CAUTIOUS, HAVING OFTEN BEEN DOMINATED, PERSECUTED AND
OTHERWISE HARRASSED BY PERONIST, MILITARY AND OTHER
GOVERNMENTS.

56. THE PRINT MEDIUM HAS HAD MORE SUCCESS IN RESISTING
GOVERNMENT DOMINATION OVER THE PAST 38 YEARS THAN RADIO
AND TELEVISION. IT HAS THE MOST MEDIA IMPACT IN THE
DISCUSSION OF KEY ISSUES. THE PRESS IS GENERALLY
FAVORABLY DISPOSED TO THE US AND DEMOCRATIC VALUES,
ALTHOUGH IT DOES NOT HESITATE TO ATTACK THE US,
ESPECIALLY ABOUT NATIONALISTIC ISSUES. ONLY ONE NEWS-
PAPER, "LA OPINION," IS GOVERNMENT CONTROLLED.
CONSERVATIVE-MODERATE "LA NACION" HAS THE GREATEST
EDITORIAL IMPACT, FOLLOWED BY CONSERVATIVE TRADITIONALIST
"LA PRENSA," AND NO 1 CIRCULATION "CLARIN," WHOSE
IMPACT IS BLUNTED BECAUSE IT IS A MOUTHPIECE FOR ONE
PARTY, THE PROTECTIONISTIC MID MOVIMIENTO DE INTEGRACION
Y DESARROLLO. THE ENGLISH-LANGUAGE "BUENOS AIRES
HERALD" IS IMPORTANT FOR ITS EDITORIALS ON HUMAN RIGHTS
AND FOR RESPONSIBLE ECONOMIC AND POLITICAL POLICIES.
KEY MASS-CIRCULATION MAGAZINES REFLECT THE
SITUATION OF THE NEWSPAPERS.

57. MOST NEWSPAPERS AND MAGAZINES SUPPORT THIS GOVERN-
MENT BECAUSE THEY BELIEVE MILITARY INTERVENTION WAS
NECESSARY TO SAVE THE NATION FROM LEFT-WING TERRORISM.
AS THE THREAT OF PAST VIOLENCE RECEDES, HOWEVER, THERE
IS MORE CRITICISM OF GOA POLICIES ESPECIALLY ON ECONOMICS
AND RULE OF LAW. THE WORKER-ORIENTED DAILY "CRONICA"
GIVES MUCH PLAY TO PERONIST ACTIVITIES AND ASPIRATIONS.
THE SMALL-CIRCULATION DAILY "CONVICCION" SUPPORTS
HASSERA. HOWEVER, THESE NEWSPAPERS ARE IN NO POSITION

TO GIVE THE GOVERNMENT VERY MUCH TROUBLE.

58. TELEVISION, BECAUSE OF ITS MASS APPEAL AND IMPACT,
HAS BEEN THE MEDIUM MOST CLOSELY CENSORED BY ARGENTINE
GOVERNMENTS FOLLOWING THE RETURN OF PERONISM IN 1973.
THE PERONISTS TOOK CONTROL OF THE NATIONALLY ORIENTED
BUENOS AIRES TV STATIONS (ONE WAS ALREADY GOVERNMENT-
OWNED) AND THIS CONTROL HAS BEEN MAINTAINED BY THE
PRESENT GOVERNMENT. THE CRITICISM AND DISSENT TOLERATED
BY THE GOVERNMENT IN THE PRINT MEDIUM IS NOT FOUND ON
TV. NO THREAT CAN BE EXPECTED FROM THIS QUARTER.

59. RADIO HAS SUFFERED FROM GOVERNMENT CONTROLS SINCE
PERON NATIONALIZED THE RADIO STATIONS FOLLOWING HIS
TAKING OF POWER IN 1946. TODAY, ABOUT HALF OF THE
RADIO STATIONS ARE DIRECTLY CONTROLLED BY THE GOVERNMENT,
WHICH TOLERATES A LITTLE MORE COMMENTARY AND SOMETIMES
DISSENT IN RADIO THAN ON TV. AGAIN, THERE IS NO LIKELY
FOCUS OF DESTABILIZATION HERE.

60. TRADITIONALLY, PERONIST, LEFT-WING, COMMUNIST AND
OTHER POLITICAL FORCES NOT FRIENDLY TO DEMOCRATIC
VALUES HAVE RELIED ON SPECIAL PUBLICATIONS PUBLISHED TO FURTHER
THEIR INTERESTS. DURING THE LAST PERON ADMINI-
STRATION, THE THEN COMMUNIST-DOMINATED BUENOS AIRES
NEWSPAPER REPORTERS ASSOCIATION STAGED WORK STOPPAGES
AND OTHER FORMS OF DISRUPTION AT "CLARIN" AND "LA
NACION." DURING THIS PERIOD, LEFTISTS AND TERRORISTS
SUCCEEDED IN TAKING OVER "CRONISTA COMERCIAL" WITH THE
UNEXPLAINED ASSISTANCE OF ITS SINCE DISAPPEARED OWNER.
DURING THE YEAR THAT BEGAN WITH THE CAMPORA PRESIDENCY,
LEFTIST REPORTERS IN RADIO AND TELEVISION USED NATIONAL-
ISTIC ISSUES TO ATTACK THE US AND FOMENTED WORK
STOPPAGES. HOWEVER, ASIDE FROM THIS PERIOD, THE LEFT
HAS NEVER BEEN STRONG IN RADIO OR TV.

61. VI. ORIENTATION AND POLITICAL POTENTIAL OF LABOR
GROUPS -----
ARGENTINA HAS A RELATIVELY SOPHISTICATED WORKING CLASS
WHICH, SINCE THE 1940'S HAS BEEN MOBILIZED AS THE BASIC
FACTOR IN THE PERONIST POLITICAL MOVEMENT. PERON
COOPTED THE LABOR MOVEMENT, CONVERTING IT INTO A
NATIONALIST AND ANTI-FOREIGN POLITICAL FORCE WHICH
BECAME THE PRINCIPAL PROP FOR SUCCESSIVE PERONIST
REGIMES. THE TOP LEADERSHIP OF THE LABOR MOVEMENT IS
HIGHLY POLITICALIZED AND, WHILE STEEPED IN AN ANTI-
OLIGARCHICAL CLASS HATRED, IS INCLINED TOWARDS POLITICAL
ACCOMMODATION AND NEGOTIATION WITH THE OTHER POWER
FACTORS IN THE SOCIETY, PARTICULARLY THE MILITARY,
RATHER THAN REVOLUTIONARY ACTIVITY. WHILE PERON DURING

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HIS YEARS OF EXILE ABROAD FOSTERED BOTH LEFT YOUTH AND RIGHT-YOUTH EXTREMISM WITHIN THE LABOR AND YOUTH SECTORS, PERONISM'S MAJOR THRUST IN THE ARGENTINE LABOR MOVEMENT HAS SERVED AS AN EFFECTIVE BULWARK TO THE GROWTH OF COMMUNISM AMONG WORKERS. THE TOP LABOR LEADERSHIP HAS SHARED IN THE FRUITS OF POWER DURING THE PERONIST AND EVEN SOME MILITARY REGIMES, WHICH ACCOUNTS FOR ITS REPUTATION OF BUREAUCRACY AND CORRUPTION. THIS HAS TO SOME DEGREE SEPARATED THE LEADERS FROM THE RANK-AND-FILE WORKERS--BUT NOT TO A CRITICAL DEGREE--SO THAT THE LABOR MOVEMENT REMAINS THE MOST COHESIVE POLITICAL FORCE IN THE COUNTRY BESIDES THE MILITARY, ITS MAJOR POTENTIAL POLITICAL RIVAL.

62. THE POLITICAL HISTORY OF SUCCESSIVE PENDULUM SWINGS BETWEEN CIVILIAN AND MILITARY GOVERNMENTS IN RECENT DECADES HAS INVOLVED A STRUGGLE FOR POWER BETWEEN THE TRADE UNIONS ON THE ONE HAND AND THE MILITARY ON THE OTHER. TRADE UNION ACTIVITIES HAVE BEEN SUSPENDED SINCE THE MILITARY TOOK POWER IN 1976, BUT THE CURRENT REGIME IS EXPECTED TO ISSUE NEW RULES THIS YEAR GOVERNING UNION ACTIVITIES IN THE FUTURE. FINDING A PROPER PLACE IN THE SOCIETY AND ECONOMY FOR THE TRADE UNIONS IS ONE OF THE MAJOR, YET UNRESOLVED PROBLEMS FACING THE MILITARY GOVERNMENT.

63. WAGE EARNERS AND THE LABOR MOVEMENT GENERALLY HAVE SUFFERED THE LARGEST PART OF THE BURDEN OF THE CURRENT GOVERNMENT'S ECONOMIC STABILIZATION PROGRAM AND THERE IS A HIGH STATE OF DISCONTENT OVER THE SUBSTANTIAL DROP IN WORKERS' REAL WAGES. IN RECENT MONTHS, TRADE UNION LEADERS HAVE BECOME INCREASINGLY VOCIFEROUS IN THEIR OBJECTIONS TO THE CURRENT GOVERNMENT'S ECONOMIC POLICIES, FORMING TEMPORARY AD HOC ALLIANCES WITH OTHER DISCONTENTED ELEMENTS IN INDUSTRY AND, TO A LESSER EXTENT, IN THE MILITARY.

54. WHILE THE LABOR MOVEMENT HAS BEEN BASICALLY BOURGEOIS, IT HAS OVER THE YEARS SUFFERED VARYING DEGREES OF INFILTRATION BY RADICALIZED ELEMENTS, PRODUCING FROM TIME TO TIME DISORDERS ON THE SCALE OF THE "CORDOBAZO" OF 1969, WHICH SERIOUSLY THREATENED THE SURVIVAL OF THE MILITARY GOVERNMENT OF THAT TIME AND FORCED IT TO CHANGE ITS POLITICAL AND ECONOMIC DIRECTION. THIS PRECEDENT WEIGHS HEAVILY ON THE ARGENTINE PSYCHE, THERE BEING A FEAR OF REPETITIONS.

HOWEVER, SUBVERSIVE AND TERRORIST GROUPS SUCH AS THE ERP AND MONTONEROS WERE LARGELY UNSUCCESSFUL IN ATTRACTING RECRUITS FROM THE WORKING CLASS, AND THE ARGENTINE HIGHERLY PRACTICAL MIND WAS ERADICATED, AT LEAST FOR THE PRESENT. BOURGEOIS ELEMENTS WHICH MADE ANY HEAVYWEIGHT AMONG LABOR GOVERNMENT BODIES AND AS SUCH A POTENTIAL FOCI OF LABOR UNREST CONTINUE TO BE A MAJOR CONCERN THAT THERE WILL BE AN OUTBREAK OF MAJOR LABOR VIOLENCE AS LONG AS THE MILITARY REMAINS STRONG AND UNITED. HOWEVER, AS THE GOVERNMENT STUMBLES GRADUALLY TOWARDS A MORE OPEN POLITICAL SITUATION, THERE WILL BE A RESURGENCE OF LABOR MILITANCY AND STRIKES, PARTICULARLY IF THE GOVERNMENT IS UNABLE TO REVERSE THE CURRENT PROBLEM OF STAGFLATION.

65. VII. ATTITUDES AND POTENTIAL INFLUENCE OF YOUTH
AND STUDENT GROUPS -----

SINCE THE NATION'S UNIVERSITIES ARE COMMONLY THOUGHT TO HAVE BEEN THE SPAWNING GROUNDS FOR THE MARXIST AND TERRORIST HERITAGE THAT ENGULFED THE COUNTRY IN THE EARLY 1970'S, THE CURRENT MILITARY REGIME HAS GIVEN HIGH PRIORITY TO PURGING RADICAL AND LEFTIST ELEMENTS FROM THE CENTERS OF HIGHER LEARNING AND REFORMING THE EDUCATIONAL SYSTEM. SINCE THE INITIAL CLEAN-OUT OF TERRORIST AND SUBVERSIVE SUSPECTS HAD RUN ITS COURSE, THE TASK OF EDUCATION REFORM WAS LargELY ENTRUSTED TO CONSERVATIVE PRE-VATICAN II CATHOLIC EDUCATORS, AS EXEMPLIFIED BY THE EDUCATION MINISTER HIMSELF, PROFESSOR LERENA AMADOR. THE RESULT IS THAT THE UNIVERSITIES TODAY ARE CHARACTERIZED BY AN OUTWARD PEACE AND TRANQUILITY COMPARABLE TO THAT OF THE CEMETERY.

ADMISSIONS ARE LIMITED, PROFESSORS ARE MONITORED AND SUBJECTS ARE IMMEDIATELY REPRIMAND, AND STUDENTS CONFINE THEMSELVES TO SCHOLASTIC EFFORTS. FESTIVITIES, PERFORMIST AND RADICAL PARTY STUDENT AND YOUTH ORGANIZATIONS HAVE SURVIVED, BUT THEY ARE INACTIVE ON SCHOOL GROUNDS. CURRENT ACTIVITIES ARE LIMITED TO OCCASIONAL LUNCHEONS AND PROCLAMATIONS.

66. PERMEATED BY THE TERROR AND THE COUNTERTERROR, THE SURVIVING STUDENTS ARE POLITICALLY IN A COMATOSE STATE. THEY ARE NOT LIKELY TO RENAISSANCE UNTIL THE GOVERNMENT LIFTS THE BAN AGAINST POLITICAL ACTIVITY, WHICH MAY NOT TAKE PLACE UNTIL THE PROCESS OF TRANSITION TO A CONSTITUTIONAL REGIME GETS WELL UNDER WAY. WHILE A LARGE SECTOR OF THE STUDENT BODY IS PRESUMED TO BE INHERENTLY OPPOSED TO THE MILITARY REGIME, STUDENT REBELLION OF THE "CORDBOARD" HOLO IS NOT LIKELY UNLESS THERE IS WIDESPREAD ECONOMIC CHAOS, THE MILITARY COLLAPSES OR SOME OTHER EQUALLY CATASTROPHIC CONDITION PREVAILS-- TWO OF WHICH WE REGARD AS PROBABLE. HOWEVER, SHOULD EITHER OF THESE OCCUR, THE STUDENT BODY AND YOUTH GROUPS WOULD PROBABLY BE ABLE TO MOBILIZE QUICKLY TO THE STREETS ALMOST OVERNIGHT. Y. STUDENTS LIKELY WOULD REMAIN ALOOF FROM MODERATE LEVEL OF LABOR STRIKE ACTIVITY.

67. AS THE COUNTRY MOVES DOWN THE PATH TOWARDS A SUCCESSOR GOVERNMENT, THE UNIVERSITIES WILL AGAIN BECOME POLITICALLY ACTIVE. BUT OUR ASSUMPTION IS THAT

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ROGER CHAMUEL

THE TRAUMATIC LEGACY OF THE MILITARY COUNTERTERROR WILL REMAIN AN INHIBITING FACTOR FOR SOME YEARS TO COME. STUDENTS' POLITICAL ACTIVITY WILL REMAIN UNDER CLOSE MILITARY SCRUTINY AT LEAST THROUGH THE EARLY YEARS OF THE NEXT REGIME AND WE BELIEVE IT IMPROBABLE THAT THE UNIVERSITIES WILL SOON BECOME AGAIN CITADELS OF VIOLENCE AND TERRORISM.

68. VIII. RELIGIOUS ELEMENTS AND INDIVIDUAL RELIGIOUS LEADERS -----

ARGENTINA IS OFFICIALLY A CATHOLIC COUNTRY. THE CONSTITUTION STIPULATES THAT THE PRESIDENT MUST BE CATHOLIC AND OFFICER OF THE ARMED FORCES ARE BY TRADITION, IF NOT LAW, ALL CATHOLIC. THE CHURCH EXERCISES RELATIVE IMPORTANCE IN THE POLITICAL EVENTS OF THE COUNTRY: PRESIDENT VIDELA IS RIGIDLY AND PUBLICLY DEVOUT; THE 1976 MILITARY TAKEOVER REPORTEDLY WAS POSTPONED PARTLY DUE TO VATICAN DISAPPROVAL; ARGENTINE SOUGHT THE POPE'S MEDIATION IN ITS BITTER BEAGLE BOUNDARY DISPUTE WITH CHILE; THE ARGENTINE BISHOPS' CONFERENCE AND RANKING ECCLESIASTICAL FIGURES ARE TREATED WITH CARE AND RESPECT BY GOVERNMENT AND MILITARY LEADERS.

69. NEVERTHELESS, THE CHURCH DOES NOT EXERCISE A KEY ROLE IN SHAPING POLITICAL EVENTS IN THE COUNTRY AND THERE ARE NO INDIVIDUAL RELIGIOUS LEADERS WHO MIGHT EVEN REMOTELY BE EXPECTED TO CLAIM STRONG LEADERSHIP POSITIONS. ALTHOUGH ITS CLERGY HOLD WIDELY DIVERGENT VIEWS ON THE CHURCH'S ROLE AND SOCIAL RESPONSIBILITY IN THE COUNTRY, THE CATHOLIC CHURCH IN ARGENTINA IS ESSENTIALLY CONSERVATIVE. IN THE FIELD OF HUMAN RIGHTS, FOR EXAMPLE, THE CHURCH HAS PREFERRED TO ENCOURAGE IMPROVEMENT THROUGH QUIET DIPLOMACY: CRITICAL, BUT CONFIDENTIAL, DECLARATIONS TO THE GOVERNMENT; PRIVATE PERSONAL CONTACTS; AND ONLY INFREQUENT PUBLIC STATEMENTS DIRECTED FROM THE PULPIT. INDIVIDUAL CHURCH MEMBERS ARE ACTIVE IN THE HUMAN RIGHTS MOVEMENT--BISHOP JAIME NEVARES DE HEQUEN WAS A FOUNDER OF THE ARGENTINE PERMANENT ASSEMBLY FOR HUMAN RIGHTS, AND AUXILIARY BISHOP LAGUNA HELPED WRITE A STRONG CRITICISM OF THE GOVERNMENT'S HUMAN RIGHTS PERFORMANCE IN A CONFIDENTIAL BISHOPS' CONFERENCE DOCUMENT--AND IN ENCOURAGING RELIEF IN THE SOCIAL-ECONOMIC CONDITION OF THE POOR CLASSES, BUT THE CHURCH AS AN INSTITUTION DOES NOT NOW PLAY A MAJOR SOCIO-POLITICAL ROLE IN ARGENTINA.

70. THE ARGENTINE JEWISH COMMUNITY IN ARGENTINA IS ONE OF THE LARGEST CONCENTRATIONS IN THE WORLD--APPROXIMATELY HALF A MILLION PERSONS. JEWISH IMMIGRANTS HAVE FARED GENERALLY WELL IN ARGENTINA AND THE NATIVE-BORN GENERATIONS ARE MODERATELY WELL INTEGRATED--WITH A MAJOR EXCEPTION BEING THE MILITARY AND SECURITY FORCES WHERE JEWS ARE PRACTICALLY NONEXISTENT. A FEW PROMINENT JEWISH INTELLECTUALS AND ARTISTS HAVE BEEN IDENTIFIED WITH LEFTIST CAUSES IN THE PAST AND JEWISH STUDENT YOUTH TO SOME DEGREE WERE ACTIVE ALONG WITH OTHER UNIVERSITY STUDENTS IN THE TERRORIST MOVEMENT. PERHAPS AS A REACTION, JEWISH COMMUNITY LEADERS TEND TO BE CONSERVATIVE AND EXTREMELY PRIVATE, THEIR MAJOR CONCERN BEING TO GUARD AGAINST RESURGENCE OF ANTI-SEMITIC ATTITUDES AND ACTIVITIES. ARGENTINE HARBORS FERVENTLY

ANTI-SEMITIC ELEMENTS, BUT GOVERNMENT VIGILANCE HAS REDUCED OVERT ANTI-SEMITIC ACTS TO A MINIMUM. THE JEWISH COMMUNITY, DESPITE ITS SIZE AND THE PROFESSIONAL IMPORTANCE OF INDIVIDUAL MEMBERS, MAINTAINS A CAUTIOUSLY APOLITICAL PROFILE. IT HAS LIMITED ENTREE AND MINIMAL POLITICAL INFLUENCE WITH ARGENTINE AUTHORITIES, AND NO INDIVIDUAL MEMBER APPEARS LIKELY TO ACRIE IN A SIGNIFICANT LEADERSHIP POSITION.

71. THE NUMERICALLY INSIGNIFICANT BUT CONSCIENTIOUSLY ACTIVE PROTESTANT CHURCHES ARE DISPROPORTIONATELY ACTIVE IN HUMAN RIGHTS AND REFUGEE ACTIVITIES. THE SEVEN MEMBER ARGENTINE CHURCHES OF THE WORLD COUNCIL OF CHURCHES SUPPORT LOCAL HUMAN RIGHTS ORGANIZATIONS, LOBBY FOR THE RELEASE OF POLITICAL DETAINEES AND CARE OF REFUGEES, AND EXCHANGE INFORMATION ON DETAINEE AND DISAPPEARANCE CASES. THEY DO NOT, HOWEVER, EXERCISE MUCH INFLUENCE POLITICALLY AND HAVE NO POLITICALLY PREDOMINATING LEADERS.

72. IX. ETHNIC, RACIAL OR RELIGIOUS MINORITIES ----- ARGENTINA HAS NO ETHNIC OR RACIAL MINORITIES OF ANY SIGNIFICANCE. EARLIER INDIAN AND BLACK POPULATIONS WERE KILLED OR BECAME THOROUGHLY INTER-MIXED MORE THAN A CENTURY AGO AND TWO FEW REMAINING INDIANS LIVE BARBONIOUSLY, ALSO PRIMITIVE, IN THEIR TRADITIONAL HOMES IN THE POORER NORTHERN PROVINCES OF SALTA AND JUJUY AND IN PATAGONIA. ARGENTINA HOUSES LARGE COMMUNITIES OF EXPATRIATE CHILEANS, PARAGUAYANS, URUGUAYANS AND BOLIVIANS WHO, WITH SOME RECENT EXCEPTIONS, LIEVE AND WORK PEACEABLY AND QUIETLY. THE THOROUGH ANTI-SUBVERSION CAMPAIGN OF 1976-1978 RESULTED IN THE HARASSMENT, ABDUCTION AND EVEN DEATH OF A NUMBER OF LATIN AMERICAN POLITICAL REFUGEES EXILED IN ARGENTINA AND THE BITTER BEAGLE CONTROVERSY WITH CHILE SAY SOME DEGREE OF HARASSMENT OF CHILEAN ALIENS RESIDENT IN ARGENTINA DURING 1978, BUT THESE INCIDENTS HAVE DECREASED IN RECENT MONTHS. THE CAUTIOUSLY CORRECT EXPATRIATE COMMUNITIES EXERCISE VIRTUALLY NO INFLUENCE IN THE POLITICAL LIFE OF THE COUNTRY.

73. THE RELIGIOUS MINORITIES IN THE CATHOLIC ARGENTINE STATE INCLUDE THE JEWS, PROTESTANT CHURCHES, AND A FAIR SPRINKLING OF OTHER NON-CHRISTIAN RELIGIONS. THE JEWISH WITNESSES, BANNED IN 1976 FROM PUBLICLY

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PRACTICING THEIR RELIGION, ARE CURRENTLY APPEALING THAT
AND OTHER RESTRICTIVE DECREES. THE DIVINE LIGHT AND
HARE KRISHNA SECTS WERE ALSO BARRED FROM PUBLICLY
PRACTICING OR PROSLETYZING THEIR FAITH. RELIGIOUS
MINORITIES, AS COMMENTED ON ABOVE, TEND TO BE HIGHLY
INDIVIDUALISTIC AND SELF-ABSORBED AND EXERCISE LITTLE,
IF ANY POLITICAL INFLUENCE IN ARGENTINA.

74. X. INTERACTIONS AMONG THE ABOVE FORCES -----
THE DEGREE OF INSTABILITY OVER THE NEXT FEW YEARS IN
ARGENTINA WILL DEPEND PRINCIPALLY ON THE SUCCESS OR
FAILURE OF THE GOVERNMENT'S ECONOMIC STABILIZATION
PLAN, INTER- AND INTRA-SERVICE RIVALRIES IN THE ARMED
FORCES AND THE SMOOTHNESS OF THE TRANSITION TO CONSTITUTIONAL RULE.

75. INDUSTRIAL PRODUCTION APPEARS TO BE RECOVERING
FROM THE RECESSION OF 1974, BUT THERE IS NO EVIDENCE
THAT THE GOVERNMENT HAS BEGUN TO LICK THE EXTREMELY
HIGH INFLATION. GIVEN THE PERONIST LEGACY AND THE
STILL PREVAILING STATIST MENTALITY OF LARGE SECTORS OF
THE POPULATION, WE BELIEVE THE MARTINEZ DE HOS AND THE
MILITARY WILL FALL SHORT OF THEIR DREAM OF PRODUCING AN
"ARGENTINE MIRACLE" --- IE OF CONVERTING THE COUNTRY
INTO A HIGH GROWTH, LOW COST, EFFICIENT PRODUCER AND
STABLE INDUSTRIAL DEMOCRACY ON THE ORDER OF FRANCE OR
GERMANY OR WHICH COULD, SAY, CHALLENGE BRAZIL'S
SUPERIORITY IN THE REGION. THIS DOES NOT MEAN THAT
SOME MEASURE OF STABILITY AND GROWTH IS IMPOSSIBLE. IN
FACT WE THINK THERE ARE REASONABLE PROSPECTS FOR A
MODERATE RECOVERY AND ARGENTINA MAY EVEN BE ABLE TO
DEMONSTRATE TECHNICAL EXCELLENCE IN THE FUTURE IN
CERTAIN SPECIALIZED FIELDS SUCH AS MEDICINE OR NUCLEAR
ENERGY.

76. WAGE UNREST WILL CONTINUE TO BE AN IMPORTANT
SOURCE OF INSTABILITY. EVEN IF THE ECONOMY RECOVERS
AND INFLATION IS REDUCED, WORKERS WILL INSIST ON MAKING
UP FOR PAST LOSSES IN REAL WAGES--WHETHER THE POLITICAL
SYSTEM OPENS UP OR NOT. FURTHER TENSIONS WILL ENHANCE
FROM THE EFFORTS WHICH LABOR UNDOUBTEDLY WILL INITIATE
TO RESIST THE STRINGENT TRADE UNION AND SOCIAL WORKS
LAWS CURRENTLY BEING DRAFTED WITH THE GOAL OF ENASCULATING
THE UNIONS' ONCE CONSIDERABLE POLITICAL AND ECONOMIC
POWER.

77. THE ARGENTINE MILITARY IS PUBLICLY COMMITTED TO
THE GOAL OF RESTORING A PLURALISTIC CONSTITUTIONAL
REPUBLIC--BUT ONLY WHEN THE NECESSARY PRECONDITIONS
HAVE BEEN MET--WHICH MEANS THAT THE ARMED FORCES WANT
TO BE THE SOLE AND FINAL JUDGE WITH RESPECT TO THE
TIMETABLE AND THE SHAPE OF THE GOVERNMENT OF THE FUTURE.
THE ARMED FORCES HAVE BEGUN TO DRAW BLUEPRINTS OF THE
POLITICAL MODEL THEY HOPE TO INSTALL, BUT THESE STUDIES
ARE PROGRESSING QUITE SLOWLY AND ARE ONLY IN AN INCIPENT
STAGE. ONE PROBLEM IS THAT THE MILITARY ARE BECOMING
COMFORTABLE WITH THE PERQUISITES OF HOLDING POWER.
SOME SECTORS OF THE MILITARY CAN BE EXPECTED TO RESIST
THE SHIFT TO CIVILIAN GOVERNMENT, THROWING OBSTACLES IN
THE WAY OF A POLITICAL DIALOGUE AND PARTY REORGANIZATION

EFFORTS AND THEN ARGUING THE SELF-FULFILLING PROPHECY
THAT THERE ARE NO VIABLE CIVILIAN POLITICIANS TO WHOM
THE COUNTRY CAN BE SAFELY ENTRUSTED. FOR THEIR PART,
THE CIVILIAN POLITICIANS ARE NOT LIKELY TO BE SATISFIED
WITH THE PLANS AND TIMETABLE WHICH EVENTUALLY WILL BE
PRODUCED BY THE MILITARY.

78. THERE ARE THE FOLLOWING ALTERNATIVE POLITICAL
POSSIBILITIES FACING ARGENTINA IN THE FOLLOWING TWO OR
THREE YEARS:

- (1) THERE COULD BE A REPETITION OF THE PREVIOUSLY
ESTABLISHED PATTERN, WHEREBY THE MILITARY OVERSTAYS
ITS RULE, PREPARATIONS FOR AN ORDERLY RETURN TO A
CIVILIAN GOVERNMENT ARE NOT DELAYED OR BECOME ABORTED,
ECONOMIC SOLUTIONS ARE NOT FORTHCOMING, CORRUPTION
BECOMES DEEPLY ENBEDDED AND WIDESPREAD, POPULAR
UNREST DEVELOPS TO THE POINT THAT THE ARMED FORCES
LOSE THEIR SELF-CONFIDENCE AND PRECIPITOUSLY
DECIDE TO CHUCK IT ALL IN AND RETURN TO THE BARRACKS
AND ALLOW THE PREVIOUSLY EXISTING POLITICAL PARTIES
TO CONTENT FOR THE POPULAR VOTE IN AN ILL-PREPARED
ELECTORAL FREE-FOR-ALL. THE TRADITIONAL POLITICAL
PARTIES WOULD BE NO BETTER PREPARED FOR EXERCISING
RESPONSIBILITY UNDER THESE CIRCUMSTANCES THAN THEY
HAD BEEN IN THE PAST--LEAVING THE WAY OPEN FOR
ANOTHER TURN IN THE CYCLE AND EVENTUALLY ANOTHER
MILITARY COUP TO END THE CHAOS.
- (2) A VARIATION OF THIS SCENARIO WOULD BE THE COUP
WITHIN THE COUP, PERHAPS TO PREVENT AN ELECTION,
WHEREBY A MILITARY STRONG MAN OR CLIQUE OF DIS-
GRANTED OFFICERS, TAKING ADVANTAGE OF ECONOMIC
DISORDER AND THE DRIFT IN EVENTS, SEIZE POWER.
SUCH A REGIME COULD BE MORE AUTHORITARIAN AND
REPRESSIVE THAN THE CURRENT JUNTA, BUT IT IS
POSSIBLE THAT THE NEW "GOLPISTAS" WOULD DEMOGRAPHICALLY
SEEK MASS SUPPORT, WHICH SUGGESTS A SHIFT BACK TO
GREATER STATE CONTROL OF THE ECONOMY, AUTARKY AND
PERHAPS THE STIMULATION OF XENOPHOBIA IN THE
POPULACE.
- (3) THERE IS A REASONABLE CHANCE, HOWEVER, THAT
ARGENTINA, WHILE FAILING TO ACHIEVE OPTIMUM SOLU-
TIONS, WILL AVOID EXTREME SCENARIOS. SOME HYBRID
MODEL OF MIXED AUTHORITARIAN/DEMOCRATIC RULE MAY
EMERGE WITH THE MILITARY CONSTITUTIONALLY HOLDING
STRATEGIC POSTS IN THE GOVERNMENT. FOR EXAMPLE:

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BY BUILDING A NEW GOVERNMENT PARTY AROUND A MILITARY FIGURE OR BY MERELY ALLOWING THE MILITARY ORGANIC CHECKS AND BALANCES OVER THE CIVILIAN GOVERNMENT, SO THAT THE MILITARY COULD CONSTITUTIONALLY INTERVENE IF, AT ITS DISCRETION THE REPUBLIC APPEARED IN DANGER. IN EITHER CASE, THE EMERGENCE OF SUCH A GOVERNMENT IS LIKELY TO BE ACCOMPANIED BY SOME DEGREE OF RESISTANCE TO PRIVATE FOREIGN PENETRATION.

79. ARGENTINA IS LIKELY TO CONTINUE AS AN ECONOMICALLY UNSTABLE COUNTRY UNDER ALMOST ANY SCENARIO WE CAN IMAGINE, WITH ALL THE IMPLICATIONS THIS HAS FOR US ECONOMIC INTEREST.

80. THREE YEARS OF MILITARY RULE HAVING PASSED, THE TRADE UNIONS, COMMERCIAL ASSOCIATIONS AND TRADITIONAL POLITICAL PARTIES ARE BEGINNING TO EMERGE FROM THEIR PERIOD OF PENCHANCE AND MORE OR LESS VOLUNTARY ABSTINENCE FROM POLITICS. THE INTERACTION OF POLITICAL AND ECONOMIC ISSUES RAISED IN THIS PAPER COULD COME TO A HEAD IN MID TO LATE 1980 IN CONNECTION WITH THE SUCCESSION OF THE PRESIDENCY SCHEDULED FOR MARCH 1981.

81. XI. EXTERNAL INFLUENCES ON THE ABOVE FORCES ---- ARGENTINA IS A NON-POROUS, ISOLATED COUNTRY IN WHICH IT IS UNLIKELY THAT EXTERNAL FORCES COULD PLAY A DOMESTIC DESTABILIZING ROLE. ALTHOUGH MEMBERS OF ARGENTINA'S GOVERNING ELITE SAY DARKLY THAT THE "DIRTY WAR" THE COUNTRY HAS FOUGHT--WITH INCREASING INTENSITY BETWEEN 1976 AND ABOUT THE END OF 1977--WAS INSTIGATED FROM ABROAD AND DEMONSTRATED THE CUTTING EDGE OF THE WORLD COMMUNIST CONSPIRACY, A CLOSER ANALYSIS INDICATES GOOD AND SUFFICIENT DOMESTIC REASONS FOR THE UNEQUAL ARGENTINE TERRORIST ELEMENTS NO DOUBT DREW ENCOURAGEMENT FROM SIMILAR MOVEMENTS ABROAD AND THERE MAY HAVE BEEN MORE TANGIBLE CUBAN SUPPORT FOR THE MOVEMENT, BUT THE MOVEMENT WAS OVERPOWERINGLY HOMEOWN AND RECEIVED VERBAL ENCOURAGEMENT UNTIL 1974 BY NO LESSER AN ARGENTINE THAN THE EXILED JUAN PERON.

82. ALTHOUGH MOST OF TODAY'S POPULATION IS OF SPANISH AND ITALIAN ORIGINS AND THERE IS CONSIDERABLE INTEREST IN THOSE MOTHER COUNTRIES, IT IS SIMILARLY UNLIKELY THAT EITHER GOVERNMENT HOLDS MUCH INFLUENCE OVER ARGENTINE POLITICAL DEVELOPMENTS.

83. CHILEAN, BOLIVIAN, AND PARAGUAYAN MINORITIES RESIDENT IN ARGENTINA SIMILARLY HAVE NO INFLUENCE OVER EVENTS--NOR DOES IT SEEM LIKELY THEY SHALL EVER ACQUIRE IT. IT CAN BE ARGUED THAT ARGENTINE GOVERNMENTS ARE SENSITIVE TO VATICAN INFLUENCE, BUT IT WOULD BE ABSURD TO SUGGEST THAT EVEN THAT RESPECTED ENTITY COULDSWAY ARGENTINE POLITICS IN MEANINGFUL WAYS.

84. EXTERNAL PROBLEMS, SUCH AS THAT WITH CHILE OVER THE BEAGLE CHANNEL OR WITH BRAZIL OVER PARANA RIVER DEVELOPMENT, COULD HAVE A CATALYTIC OR FUELING EFFECT ON INTERNAL DOMESTIC PROBLEMS, IF THE OPPOSITION CAN HANG IGNOMINIOUS FAILURE IN EITHER AREA ON THE RULING POWER. THE INFLUENCE OF EXTERNAL FACTORS, HOWEVER,

WOULD RESULT MORE FROM DOMESTIC MANIPULATION OF PERCEIVED FAULTS IN THE INCUMBENT'S HANDLIN OF FOREIGN POLICY THAN FROM ANY REAL DIRECT EXTERNAL THREAT TO THE NATION'S SECURITY OR STABILITY. AS LONG AS ARGENTINA'S SOUTHERN COPE NEIGHBORS SHARE SIMILAR ANTI-MARXIST MILITARY GOVERNMENTS, THEY ARE ALSO UNLIKELY TO MOVE REVOLUTIONARY THREATS TO THE PRESENT ARGENTINE REGIME.

85. XII. SOVIET ACTIVITIES ----

THE SOVIET UNION HAS CAREFULLY AVOIDED ANY PUBLIC IDENTIFICATION WITH ARGENTINE LEFTIST PARTIES AND IS CLEARLY SUPPORTING THE VIDELA GOVERNMENT IN AN EFFORT TO CAPITALIZE ON DETERIORATED USG/GOA RELATIONS. THE MOST VISIBLE SOVIET INITIATIVES ARE IN THE TRADE AND CULTURAL AREAS. THE SPANISH-LANGUAGE BROADCASTS OF RADIO MOSCOW CONSISTENTLY SUPPORTED ARGENTINA IN THE BEAGLE CHANNEL DISPUTE WITH CHILE. THE SOVIETS ALSO OFFERED TO SELL ARGENTINA SOPHISTICATED MILITARY HARDWARE THAT THE UNITED STATES IS CURRENTLY PROHIBITED FROM SELLING. THE USSR HAS BECOME A MAJOR SUPPLIER OF HYDROELECTRIC GENERATING EQUIPMENT AND IS MAKING A MAJOR EFFORT TO EXPAND SOVIET-ARGENTINE TRADE.

86. THE USSR HAS BECOME ARGENTINA'S LEADING FOREIGN BUYER, PURCHASING SOME \$500 MILLION FROM ARGENTINA IN 1978, WHILE ARGENTINA PURCHASED ONLY ABOUT \$18 MILLION FROM THE SOVIET UNION. ARGENTINA IS ANXIOUS TO MAINTAIN CORDIAL RELATIONS WITH THE SOVIET UNION IN ORDER TO MAINTAIN ITS CURRENT LEVEL OF EXPORTS. THE SOVIETS COULD LOOK ELSEWHERE FOR SOME OF THE GRAIN AND WOOL PURCHASES THAT MAKE UP THE BULK OF THEIR IMPORTS FROM ARGENTINA. THEY ARE CLEARLY WILLING TO TOLERATE THE ENORMOUS TRADE DISADVANTAGE WITH ARGENTINA IN ORDER TO IMPROVE THEIR POLITICAL STOCK IN A MAJOR LATIN AMERICAN COUNTRY AND REDUCE THE TRADITIONAL INFLUENCE OF THE UNITED STATES.

87. THERE IS EVIDENCE THAT THE ARGENTINES, RESPONDING TO SOVIET PRESSURE, ARE LOOKING FOR WAYS TO INCREASE THEIR IMPORTS FROM THE SOVIET UNION. ONE OBVIOUS WAY TO REDUCE THE EMBARRASSINGLY FAVORABLE TRADE BALANCE IS TO PURCHASE SOVIET MILITARY HARDWARE. CONSIDERATION WAS GIVEN DURING THE LAST QUARTER OF 1978 TO PURCHASING SOVIET PLANES AND HELICOPTERS.

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88. THE ARGENTINES HAVE SO FAR RESISTED SOVIET PRESSURE TO OPEN NEW OFFICES REPRESENTING STATE COMPANIES SUCH AS AEROFLOT, AND MORFLOT. WE WOULD EXPECT THE SOVIET TO CONTINUE TO PRESS FOR AN EXPANDED PRESENCE IN ARGENTINA, AND THIS WILL LIKELY BE DISCUSSED WHEN THE SOVIET-ARGENTINE MIXED COMMISSION MEETS IN BUENOS AIRES IN JUNE OR 1 JULY. THE SOVIETS APPLIED CONSIDERABLE PRESSURE ON THE ARGENTINES TO HOLD THE MIXED COMMISSION MEETING IN BUENOS AIRES INSTEAD OF MOSCOW AND THEY PLAN TO SEND A HIGH-LEVEL DELEGATION.

89. THE SOVIETS HAVE DEVOTED SPECIAL ATTENTION TO CULTURAL ACTIVITY IN THIS MOST CULTURALLY SOPHISTICATED COUNTRY IN LATIN AMERICA. ALONG WITH EXPANDED ECONOMIC AND ENHANCED POLITICAL RELATIONS, SOVIET CULTURAL PROGRAMMING (PARTICULARLY IN THE MUSIC FIELD), HAS ALSO INCREASED. MAJOR SOVIET CULTURAL PRESENTATIONS OUTNUMBER THOSE OF THE UNITED STATES GOVERNMENT AND THE SOVIET GROUPS ARE ALMOST ALWAYS PROGRAMMED TO PERFORM IN MAJOR PROVINCIAL CENTERS AS WELL AS THE CAPITAL WHILE THE US PERFORMERS STICK TO BUENOS AIRES. THIS CULTURAL PENETRATION HELPS TO CREATE A PSYCHOLOGICAL ENVIRONMENT CONDUCTIVE TO POLITICAL EXPLOITATION.

90. IN A NOVEMBER 1978 SPEECH TO MEMBERS OF THE ARGENTINE-SOVIET CHAMBER OF COMMERCE, THE SOVIET AMBASSADOR SAID THE USSR VIEWS THE PRESENT GOVERNMENT OF ARGENTINA AS VERY STABLE AND LIKELY TO BE IN POWER FOR THE NEXT TEN YEARS. THE SOVIETS ARE HANDLING THEIR RELATIONS WITH ARGENTINA AS THOUGH THEY BELIEVE IT. CHAPLIN

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